

July 15, 2021

Dear Shareholders and Friends, Ladies and Gentlemen,

We are pleased to present to you selected financial highlights of Huron Community Financial Services, Inc. (HCFSI) and Huron Community Bank (HCB) for the period ending June 30, 2021.

**HCFSI (In Thousands)**

Net Income for our holding company through June 30, 2021, was \$1,476 as compared to \$887 for the same period last year. Return on Average Equity was 9.53% and Return on Average Assets was 1.07% compared to 6.25% and 0.74% respectively on June 30, 2020. Book value of your common stock is \$53.30, Earnings per Share are \$2.51 and share-holder equity is \$31,449 on June 30, 2021.

**HCB (In Thousands)**

Net Income through the end of the second quarter 2021 was \$1,517 compared to \$923 for the same period last year. June 30, 2021 Return on Average Equity was 10.74% with Return on Average Assets of 1.12% compared to 6.88% and 0.79% respectively on June 30, 2020. Total assets at the end of the second quarter were \$287,186 versus \$257,772 in 2020. Total loans ended the second quarter at \$141,134 while total deposits were \$246,246.

**Year to Date Financial Performance**

The second quarter continued to show solid performance for your bank as second quarter results for net income were ahead of budget. This performance is the result of the continued high volume in real estate loan refinancing, Paycheck Protection Program loan fees and continued reduction in many operating expenses. Total outstanding loans at the end of June 2021 were \$141.1 million compared to \$164.5 million at June 2020 month end. The reduction in loan balances are a result of the forgiveness of the Paycheck Protect Program loans HCB facilitated during the pandemic.

**Cash Dividend Declared**

Your Board of Directors declared a cash dividend of \$0.41 per share to shareholders of record on July 6, 2021. This represents the 110th consecutive quarter in which a cash dividend has been paid to our shareholders. The dividend was paid on July 15, 2021. If you are not already enrolled in our dividend reinvestment program, I would encourage you to do so. It is a great way to increase investment in the bank!

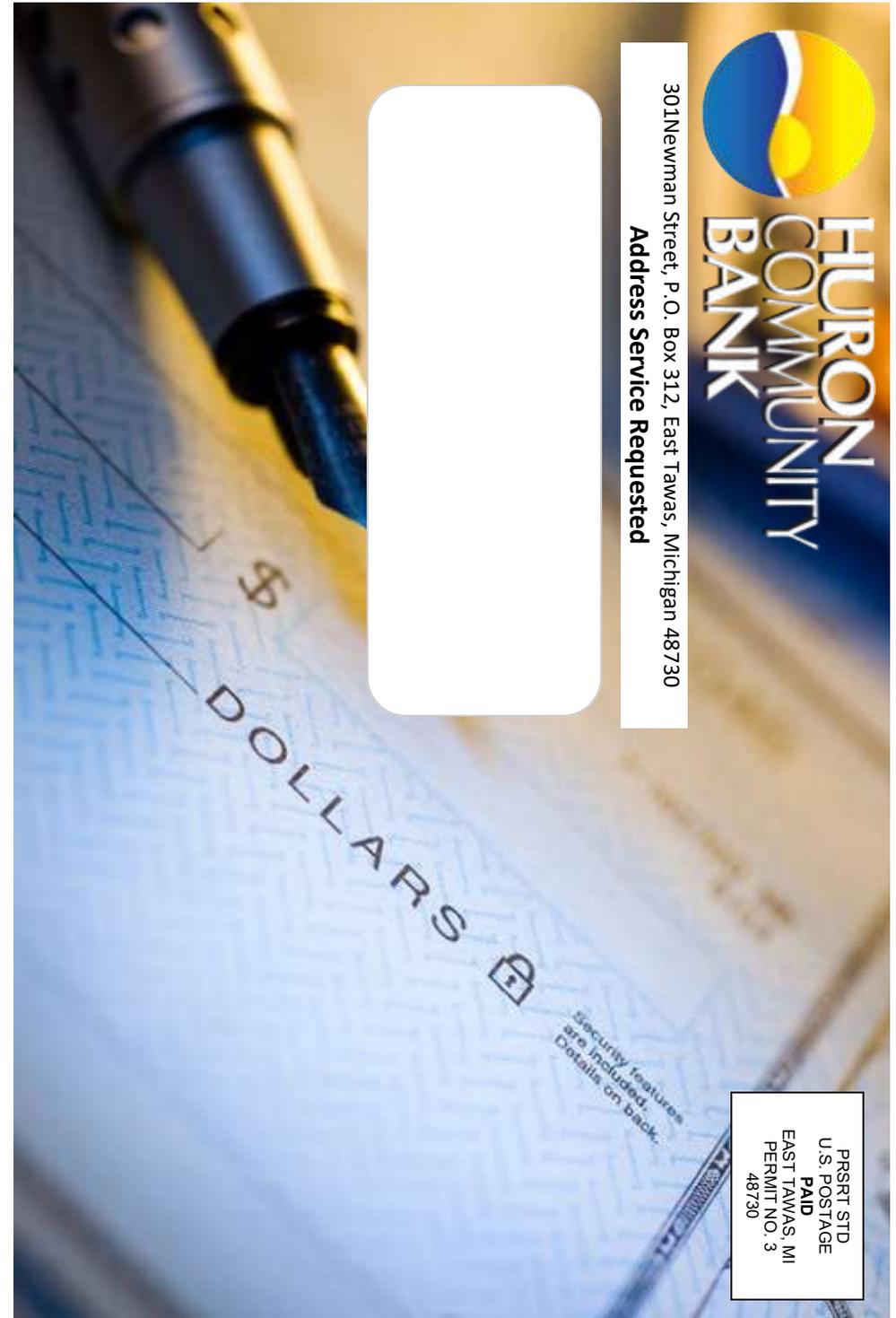
As always, I encourage you to reach out to me if you should have any questions or concerns. We appreciate your continued support and investment in HCFSI/HCB and "Community Banking" as we continue to make a difference in people's lives.

The ladies and gentlemen of HCB thank you for your support and welcome your comments.

Sincerely,



Jeff Loomis  
President & CEO



**HCFSI Consolidated Balance Sheet**  
 (000's Omitted)

**HCFSI Consolidated Report of Income**  
 (000's Omitted)

**Huron Community Bank**  
**Financial Highlights**

ASSETS	(Unaudited) 6/30/2021	(Unaudited) 6/30/2020	Six Months Ended	(Unaudited) 6/30/2021	(Unaudited) 6/30/2020	PROFITABILITY	(Unaudited) 6/30/2021	(Unaudited) 6/30/2020
Cash & Due From Banks	\$ 50,000	\$ 42,649	Interest on Loans	\$ 3,018	\$ 3,522	Net Income (In thousands)	\$ 1,517	\$ 923
Investment Securities	86,536	40,708	Interest on Investments	743	709	Return on Assets - YTD Annualized	1.12%	0.79%
Total Loans	141,133	164,483	TOTAL INTEREST INCOME	3,761	4,231	Return on Equity - YTD Annualized	10.74%	6.88%
Allowance for Loan Loss	(2,593)	(1,971)				Net Interest Margin - YTD Annualized	2.85%	3.39%
Net Loans	138,540	162,512	INTEREST EXPENSE	276	512			
Bank Premises & Equipment	2,944	2,996	NET INTEREST INCOME	3,485	3,719			
Accrued Interest Receivable	651	741						
Intangible Assets	405	405	Fees on Loans	1,263	552			
Other Assets	9,121	8,739	Other Income	722	627	SELECTED BALANCES (In Thousands)		
TOTAL ASSETS	\$ 288,197	\$ 258,750				Total Assets	\$ 287,186	\$ 257,772
			Total Other Operating Income	1,984	1,179	Total Loans	\$ 141,134	\$ 164,484
LIABILITIES & EQUITY			Salaries and Benefits (net)	1,922	2,078	Total Deposits	\$ 246,246	\$ 205,866
			Fixed Expense	491	451	Stockholder's Equity	\$ 29,187	\$ 28,566
Total Deposits	\$ 245,003	\$ 205,722	Variable Expense	1,218	1,092			
Repurchase Agreements	7,790	6,603	Loan Loss Provision	90	203			
FHLB/FRB Borrowings	3,000	15,560	Loss (Gain) on Assets	5	21			
Other Liabilities	955	1,118						
TOTAL LIABILITIES	256,748	229,004	Other Operating Expense	3,726	3,845			
			NET INCOME BEFORE INCOME TAXES	1,743	1,053			
Common Stock	590	582	FEDERAL INCOME TAXES	267	166			
Surplus	19,188	18,810	NET INCOME	\$ 1,476	\$ 887			
Retained Earnings	10,518	8,994	Basic Earnings Per Share	\$ 2.51	\$ 1.53			
Unrealized Gain(Loss) Inv. Sec.	1,152	1,360	Book Value Per Share	\$ 53.30	\$ 51.12			
TOTAL SHAREHOLDERS EQUITY	31,449	29,746	Cash Dividends Declared Per Share	\$ 0.82	\$ 0.78			
TOTAL LIABILITIES & EQUITY	\$ 288,197	\$ 258,750						

**HURON COMMUNITY FINANCIAL SERVICES, INC.**
**BOARD OF DIRECTORS**

Alan J. Stephenson, Chairman  
 Wayne D. Bigelow, Vice Chairman  
 David H. Cook  
 Matthew W. Buresh  
 Gary J. Thibault  
 Larry J. Richardson  
 Jeffrey B. Loomis

**DIRECTORS EMERITUS**

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 Howard C. Look  
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